

News from Ed Markey

United States Congress

Massachusetts Seventh District

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CONTACT: Israel Klein

or Mark Bayer

(202) 225-2836

MARKEY: "THERE MUST BE A NEW SHERIFF ON THE ACCOUNTING OVERSIGHT BEAT"

Washington D.C.— Representative Ed Markey (D-MA), a senior member of the House Energy and Commerce Committee and former chairman of the Telecommunications and Finance Subcommittee, today released the following statement on the first formal meeting of the Public Company Accounting Oversight Board:

"As the new accounting oversight board holds its first formal meeting today, it faces enormous challenges and an uncertain future. Republicans tried to gut the board when the corporate reform bill moved through Congress last summer, SEC Chairman Pitt and his top staff bungled the board selection process, and the board's budget and personnel decisions have yet to be finalized. Despite this rocky start, the board now must aggressively carry out the responsibilities mandated by the Sarbanes Act, including thorough inspections of accounting industry practices.

"The key question facing the board is whether it will be the watchdog or the lapdog of the accounting industry. The board already is facing pressure to outsource its audit inspection powers to the industry. The consequences of caving in to accounting industry demands to give them control over this critical function are painfully clear to every American whose investments have been decimated in the aftermath of recent accounting scandals. These consequences should be clear to the board as well, which will be meeting in Arthur Andersen's former offices. I urge the board to resist industry pressure and faithfully implement the provisions of the Sarbanes Act.

"Confidence in financial reporting by public companies is indispensable for the capital formation that fuels our economy. From the outset, the new accounting oversight board needs to send a strong message to investors and the accounting profession: there's a new sheriff in town and the days of lax oversight are over."

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